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Former Empire director fined over misleading returns

■ BY ELENA CHONG

A FORMER director of Empire Investment Group (EIG) was fined a total of \$24,000 yesterday for authorising a company secretary to give misleading returns to the business registrar here.

Yong Wai Hong, 28, is the first of four people in multilevel marketing firm Sunshine Empire to plead guilty to charges under the Companies Act.

He was fined \$12,000 by District Judge Sarjit Singh on each of two charges of authorising the company secretary to lodge a return to the Accounting and Corporate Regulatory Authority (Acra) which was false. Four other similar charges were taken into consideration.

On Aug 28, 2007, Yong authorised company secretary Ng Chee Tiong to

falsely declare that 500,000 shares in EIG were allotted for cash.

Ten days later, he did the same for Empire Energy, a wholly-owned subsidiary of EIG, for 250,000 shares.

Deputy Public Prosecutor April Phang said a directors' resolution passed by Yong, the sole director of EIG, stated that the company's paid-up capital was \$500,000 with Sunshine Empire's Phang Wah holding 400,000 ordinary shares at \$1 each. Yong held 50,000 shares, and two others, 25,000 shares each.

Phang, also known as James, 49, is facing 20 charges of falsifying accounts, criminal breach of trust and possession of obscene films at his home. He will go on trial in October.

Investigations showed that as of November 2007, none of the capital for

EIG nor Empire Energy had been paid-up.

The DPP said the financing of EIG and its related companies was provided purely by a \$9.5 million loan from Sunshine Empire.

She said the effect of having this "Empire" group of companies was to give participants in Sunshine Empire the impression they were all related as part of a large conglomerate with a capital of \$1.45 million on paper if company searches were made.

Lawyer Shashi Nathan said his client, who is now general manager of a Hong Kong-based trading company, had had no intention of deceiving Acra or individuals.

Yong could have have been fined up to \$50,000 and/or jailed for up to two years on each charge.



Yong (above) authorised the company secretary to give misleading returns to the business registrar. PHOTO: WONG KWAI CHOW